

Message Text

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11

ACTION EUR-12

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FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC 6080

INFO COMICEDEFOR

CINCLANT

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

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AMEMBASSY STOCKHOLM

USNATO 1362

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E.O. 11652: N/A

TAGS: PINT, IC

SUBJECT: JOHANNESSON COVERUP CONTROVERSY

REF: REYKJAVIK 0154 (DTG 031535Z FEB 76)

1. FUROR OVER ALLEGATIONS OF CRIMINAL COVERUP BY JUSTICE MINISTER OLAFUR JOHANNESSON (REFTEL) HAD QUIETED AFTER INITIAL WEEK OR SO OF FRENZIED CHARGES AND COUNTER-CHARGES, THOUGH SOCIAL DEMOCRATES ARE DOING BEST TO KEEP MATTER ALIVE.

2. IN ALTHING DEBATE FEBRUARY 23 ON NO-CONFIDENCE MOTION AGAINST GOVERNMENT (REYKJAVIK 0270), SDP SPOKESMEN DECRIED WHAT THEY SAW AS MORAL DECAY IN ICELAND, MAKING THINLY-VEILED REFERENCES TO CHARGES AGAINST JOHANNESSON. TWO DAY LATER, SDP DAILY ALTHYDUBLADID, WHOSE EDITOR, MP SIGHVATUR BJORGVINSSON, HAD EARLIER CHALLENGED JOHANNESSON IN ALTHING TO EXPLAIN ALLEGED MISCONDUCT, DEVOTED MOST OF FRONT PAGE TO QUESTIONS "DEMANDING ANSWER" FROM JUSTICE MINISTER. ALTHYDUBLADID ARTICLE GENERALLY

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ECHOED ORIGINAL ALLEGATIONS, SUGGESTING THAT JOHANNESSON HAD

USED OFFICE TO TRY TO SHIELD FROM INVESTIGATION INDIVIDUALS
HAVING FINANCIAL TIE TO PROGRESSIVE PARTY, OF WHICH JOHANNES-
SON IS CHAIRMAN.

3. BJORGVINSSON, WHO HAS THUS BEEN IN FOREFRONT OF ATTACK,
TOLD EMOFF THAT HE IS CONVINCED CASE AGAINST JOHANNES-
SON IS VERY STRONG AND THAT HE IS APPALLED AT LACK OF OUTRAGE IN
PRESS AND PARLIAMENT. HOWEVER, IT SHOULD BE NOTED THAT THERE
IS NO LOVE LOST BETWEEN JOHANNES-SON AND MANY SOCIAL DEMO-
CRATES -- ESPECIALLY IN SDP LABOR WING -- AND PURE PARTISANSHIP
IS ALMOST SURELY AT LEAST PARTIAL FACTOR BEHIND SDP'S ZEAL IN
PURSUING MATTER.

4. JOHANNES-SON HAD NEVER REALLY ADDRESSED HIMSELF PUBLICLY
TO SPECIFIC CHARGES AGAINST HIM AND, AFTER UNLEASHING INITIAL
COUNTER-ATTACK ON ACCUSERS, HAS BEEN MAINLY SILENT ON ISSUE.
IN HIS POWERFUL POSITION, WITH PARTY AND PARTY PRESS
APPARENTLY SOLIDLY BEHIND HIM, JOHANNES-SON MAY FEEL HE CAN
SIMPLY RIDE OUT STORM. HE IS WIDELY SAID
TO HAVE BEEN DEEPLY DISTURBED BY ACCUSATIONS, AND ESPECIALLY
BY WHAT HE FELT WAS COMPLICITY OF SOME ELEMENTS IN COALITION
PARTNER INDEPENDENCE PARTY IN SLANDERING HIM. AFTER BRIEF
PERIOD WHEN HE WAS REPORTEDLY CONSIDERING BREAKING UP COALITION
OVER MATTER, SITUATION SEEMS TO HAVE CALMED. ACCORDING TO
SOME SOURCES, IN FACT, JOHANNES-SON DECIDED ON REFLECTION
THAT BRINGING DOWN GOVERNMENT WAS WORST THING HE COULD DO
SINCE, IN HIS VULNERABLE POSITION HE MIGHT FIND IT IMPOS-
SIBLE TO GET PP INTO NEW COALITION. MOREOVER, HE WOULD
HAVE INVITED WRATH OF INDEPENDENCE PARTY AND ITS POWERFUL
PRESS, WHICH COULD HAVE MADE HIS SITUATION EXTREMELY
UNCOMFORTABLE.

5. FOR ITS PART, IP HAS PUBLICLY HANDLED MATTER WITH KID
GLOVES, APPARENTLY TRYING TO WALK TIGHTROPE BETWEEN AFFRONT-
ING COALITION PARTNER ON ONE HAND AND DANGER OF OPENING
ITSELF TO CHARGES OF WHITEWASH OR COVERUP ON OTHER. IP-
AFFILIATED NEWSPAPER VISIR, WHICH FIRST PUBLISHED
ALLEGATIONS, HAS ANNOUNCED PLANS TO SUE JOHANNES-SON AS
RESULT OF LATTER'S ASSERTION THAT "MAFIA CRIMINALS"
BEHIND NEWSPAPER WERE RESPONSIBLE FOR ATTACKS ON HIM.
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THIS WILL PUT CASE BACK IN SPOTLIGHT AND COULD AGAIN
AGGRAVATE RELATIONS BETWEEN IP AND PP.

6. MEANWHILE, INVESTIGATION THAT JOHANNES-SON IS ALLEGED
TO HAVE INTERFERED WITH, HAS NOW UNCOVERED WHAT IS DES-
CRIBED AS ICELAND'S MOST EXTENSIVE CRIMINAL CASE, IN-
VOLVING REPORTED THREE -- AND BY SOME ACCOUNTS FIVE --
SUSPECTED MURDERS. EXPECTED TRIALS WILL FURTHER REKINDLE

INTEREST IN MATTER, WHICH PROMISES THUS TO REMAIN ITEM
OF GREAT INTEREST IN ICELAND FOR SOME TIME TO COME.
WHATEVER CONSEQUENCE ARE FOR JOHANNESSON, HIS PARTY,
OR COALITION, MATTER HAS ALREADY TARNISHED
POLITICIANS AND PARTY POLITICS GENERALLY BY CREATING
IN PUBLIC'S MIND SUSPICION OF WIDESPREAD, FLAGRANT, AND
VERY UN-ICELANDIC POLITICAL ABUSES.
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